

20061

Utah State Tax Commission
210 N 1950 W, Salt Lake City, UT 84134
(801) 297-2200 or 1-800-662-4335 - tax.utah.gov

**Utah Corporation
Franchise or Income Tax Return**

2006
TC-20
Rev. 12/06

This return is for the calendar year ending Dec. 31, 2006, or fiscal year beginning _____ and ending _____

9999

- ☐ 1 FOR AMENDED RETURN - ENTER CODE (1-4) from page 5
- ☒ Enter "X" if you filed federal form 8886

Check box(es) if this is a new address: <input checked="" type="checkbox"/> Physical address <input checked="" type="checkbox"/> Mailing address	Corporation name CXT3			Employer Identification Number 874000003
	Address 123 Business Way			Utah Incorporation/Qualification Number 50000000003
	9th Floor			Telephone Number (406) 123-4567
	City Foreign City	State ON	Zip code M4H	Foreign country (if not U.S.) Canada

NOTE: ATTACH ONLY THE FIRST FOUR PAGES OF YOUR FEDERAL RETURN (plus Schedule M-3, if applicable)
Corporations included in combined filings must complete Schedule M.

- | | | |
|--|------|-------------------------------------|
| 1. Check if this corporation conducted any UTAH business activity during the taxable year | • 1 | <input checked="" type="checkbox"/> |
| 2. Check if this corporation joined in a federal consolidated return | • 2 | <input checked="" type="checkbox"/> |
| 3. Check if this return constitutes (check no more than one box): (see Combined Reports in the General Instructions) | | |
| a. A "water's edge" combined report | • 3a | <input type="checkbox"/> |
| or b. A "water's edge" election under UC §59-7-402(2) | • 3b | <input type="checkbox"/> |
| or c. A "worldwide" combined report | • 3c | <input checked="" type="checkbox"/> |
| 4. If an election has been made or considered to have been made on behalf of any member of the federal affiliated group during the taxable year, check the appropriate box(es) and attach a schedule showing names of target corporation(s) and details of such transaction(s). See "IRC Sections..." in the General Instructions. | | |
| a. IRC Section 338 | • 4a | <input checked="" type="checkbox"/> |
| b. IRC Section 338 (h)(10) | • 4b | <input checked="" type="checkbox"/> |
| c. IRC Section 336 (e) | • 4c | <input type="checkbox"/> |
| 5. Check if this return includes one or more financial institutions as defined by Tax Commission Rule R865-6F-32 | • 5 | <input type="checkbox"/> |
| 6. What is the ultimate U.S. parent's name? • _____ | | |
| 7. What is the ultimate U.S. parent's EIN? • _____ | | |
| 8. Refund (from Schedule A, line 23) | 8 | 24,001 00 |
| 9. Tax Due (from Schedule A, line 24) | 9 | 00 |
| 10. Total the penalties and interest listed below and enter on this line | 10 | 00 |
| Extension penalty \$ _____ Late filing penalty \$ _____ | | |
| Late payment penalty \$ _____ Interest \$ _____ | | |
| 11. Utah Use Tax, if \$400 or less (see instructions) | 11 | 00 |
| 12. TOTAL REFUND (subtract lines 10 and 11 from line 8) | 12 | 24,001 00 |
| 13. TOTAL TAX DUE (add lines 9, 10 and 11) Make check payable to: UTAH STATE TAX COMMISSION | 13 | 00 |

Check the box for each schedule attached. Arrange in order behind this form.

☒ Schedule A ☒ Schedule B, C and D ☐ Schedule H
☒ Schedule J ☐ Schedule M

Under penalties of perjury, I declare to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

OFFICE USE ONLY

Paid Preparer's Section	Signature of officer HERE <u>Jim Doe</u>	Title <u>Vice Pres.</u>	Date signed <u>01-01-07</u>	<input checked="" type="checkbox"/> Check here if the Tax Commission may discuss this return with the preparer shown below (see page 7)
	Preparer's signature <u>John Smith</u>	Date signed <u>01-01-07</u>	Preparer's Social Security no. or PTIN <u>P12121212</u>	
	Firm's name (or yourself if self-employed) <u>Smith's CPA Firm</u>	Preparers' telephone no. <u>(406) 123-4568</u>	Preparer's EIN <u>123456789</u>	
	Preparer's complete address (street, city, state, zip) <u>456 Business Way, 10th Floor</u> <u>Foreign City, ON M4H 1J4, Canada</u>			

Supplemental Information To Be Supplied By All Corporations

1. What is the date of incorporation 01/01/03 and in what state? ON
2. If this corporation is dissolved or withdrawn, see Dissolution or Withdrawal in the General Instructions.
3. ☒ Yes ☐ No Did the corporation at any time during its tax year own more than 50 percent of the voting stock of another corporation or corporations?
If yes, provide the following for each corporation so owned: (attach additional pages if necessary)
Name of corporation Numbers Inc.
Address 456 Corporate Drive, Palm City, CA 91301
Percentage of stock owned 50.5 % Date stock acquired 04/01/2006
4. ☒ Yes ☐ No Is 50 percent or more of the voting stock of this corporation owned by another corporation?
If yes, provide the following information about the corporation:
Name of corporation ABC Corporation
Address 123 South Main St., Salt Lake City, Utah 84321
Percentage of stock held 51.0 %
5. ☒ Yes ☐ No Did this corporation or its subsidiary(ies) have a change in control or ownership, or acquire control or ownership of any other legal entity this year?
6. Where are the corporate books and records maintained?
123 Business Way, Foreign City, ON, M4H 1j4, Canada
7. What is the state of commercial domicile? Ontario
8. What is the last year for which a federal examination has been completed? 1999
Under separate cover, send a summary and supporting schedules for all federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to Auditing Division, Utah State Tax Commission, 210 North 1950 West, Salt Lake City, UT 84134-2000.
9. For what years are federal examinations now in progress, or final determination of past examinations still pending?
2000, 2001
10. For what years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service?
2002, 2003

Schedule E - Prepayments of Any Type - Enter the total from line 4 below on line 18e of Schedule A.

1. Overpayment applied from prior year	1		00
2. Extension prepayment Date Check number	2		00
3. Other prepayments (attach additional page(s) if necessary)			
a. Date Check number	3a		00
b. Date Check number	3b		00
c. Date Check number	3c		00
d. Date Check number	3d		00
Total of other prepayments (add lines 3a through 3d)	3		00
4. Total prepayments (add lines 1, 2 and 3) Enter here and on Schedule A, line 18e	4		00

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Schedule A - Computation of Utah Net Taxable Income and Tax Due

Corporation Name CXT3		Taxable Year Ending 12/31/06	Employer Identification Number 874000003
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1. Taxable income (loss) before NOL and special deductions from federal form 1120/1120-A	1	1,000,000	00					
2. Additions to taxable income (Schedule B, line 15)	2	218	00					
3. Subtractions from taxable income (Schedule C, line 14)	3	257	00					
4. Adjusted income (add amounts on lines 1 and 2, then subtract amount on line 3)	4	999,961	00					
5. Nonbusiness income net of related expenses from Schedule H:								
a. Allocated to Utah (from Schedule H, line 13)	5a		00					
b. Allocated outside Utah (from Schedule H, line 26)	5b		00					
Nonbusiness income total (add lines 5a and 5b)	5		00					
6. Apportionable income before contributions deduction (subtract line 5 from line 4)	6	999,961	00					
7. Utah contributions (from Schedule D, line 8)	7		00					
8. Apportionable income (subtract line 7 from line 6)	8	999,961	00					
9. Apportionment percentage (enter 1.000000, or Schedule J, line 8 or line 12, if applicable)	9	0.515969						
10. Apportioned income (line 8 multiplied by line 9)	10	515,949	00					
11. Nonbusiness income allocated to Utah (from line 5a above)	11		00					
12. Utah Taxable Income/Loss (add lines 10 and 11) If line 12 is a loss and the election was made to forego the federal net operating loss carryback, do you also want to forego the Utah net loss carryback? If an election is not indicated by marking a box, it will be assumed the federal election was not made and the Utah loss will be treated as carryback (see instructions).	12	515,949	00					
<input type="checkbox"/> Yes <input type="checkbox"/> No								
13. Utah net loss carried forward from prior years (attach documentation)	13		00					
14. Net Taxable Income (subtract line 13 from line 12)	14	515,949	00					
15. Calculation of tax (see instructions)								
a. Multiply line 14 by .05	15a	25,797	00					
b. Minimum tax: \$100, or if Schedule M applies, Schedule M, line 5	15b	100	00					
c. Enter the greater of 15a or 15b	15c	25,797	00					
d. Interest on installment sales and/or recapture of low-income housing credit	15d		00					
Tax amount (add lines 15c and 15d)	15	25,797	00					
16. Nonrefundable Credits (obtain two-digit code from instructions)								
CODE	16a		00					
	16c		00					
	16e		00					
CODE	16b		00					
	16d		00					
	16f		00					
Total nonrefundable credits (add lines 16a through 16f)								
	16		00					
17. Net tax (subtract line 16 from line 15) Cannot be less than line 15b above.	17	25,797	00					
18. Refundable Credits (obtain two-digit code from instructions)								
CODE	18a		00					
	18c		00					
CODE	18b		00					
	18d		00					
	18e		00					
18e. Prepayments (Schedule E, line 4)	18		00					
Total refundable credits (add lines 18a through 18e)								
	18		00					
19. Amended returns only (see instructions)	19	49,998	00					
20. Total refundable credits (add lines 18 and 19)	20	49,998	00					
21. Overpayment - If line 20 is larger than line 17, subtract line 17 from line 20	21	24,201	00					
22. Amount of overpayment to be applied as advance payment for next taxable year	22	200	00					
23. Refund - Subtract line 22 from line 21; enter amount here and on TC-20, line 8	23	24,001	00					
24. Tax Due - If line 17 is larger than line 20, subtract line 20 from line 17; enter amount here and on TC-20, line 9	24		00					
25. Quarterly estimated prepayments meeting exceptions. Check boxes that correspond to the quarterly installments that qualify for exceptions to penalties (see instructions). Attach supporting documentation.	1st	<input checked="" type="checkbox"/>	2nd	<input checked="" type="checkbox"/>	3rd	<input checked="" type="checkbox"/>	4th	<input checked="" type="checkbox"/>

Schedules B, C, and DTC-20 B-D
Rev. 12/06Corporation Name
CXT3Taxable Year Ending
12/31/06Employer Identification Number
874000003**Schedule B - Additions to Taxable Income** (See instructions)

1. Interest from state obligations	1	1	00
2. a. Income taxes paid to any state	2a	21	00
b. Franchise or privilege taxes paid to any state	2b	22	00
c. Corporate stock taxes paid to any state	2c	23	00
d. Any income, franchise or capital stock taxes imposed by a foreign country	2d	24	00
e. Business and occupation taxes paid to any state	2e	25	00
3. Safe harbor lease adjustments	3	3	00
4. Capital loss carryover	4	4	00
5. Federal deductions taken previously on a Utah return	5	5	00
6. Federal charitable contributions from federal form 1120 or 1120-A, line 19	6	6	00
7. Gain/loss on IRC Sections 338(h)(10) or 336(e)	7	7	00
8. Adjustments due to basis difference	8	8	00
9. Expenses attributable to 50 percent unitary foreign dividend exclusion	9	9	00
10. Installment sales income previously reported for federal but not Utah purposes	10	10	00
11. Refund received from Utah Education Savings Plan	11	11	00
12. Income/loss from IRC Section 936 corporations	12	12	00
13. Foreign income/loss for "worldwide" combined filers	13	13	00
14. Income/loss of unitary corporations not included on federal consolidated return	14	14	00
15. Total additions (add lines 1 through 14) Enter here and on Schedule A, line 2.	15	218	00

Schedule C - Subtractions from Taxable Income (See instructions)

1. Intercompany dividend elimination (Caution: See Instructions for Schedule C)	1	1	00
2. Foreign dividend gross-up	2	2	00
3. Net capital loss	3	3	00
4. a. Federal jobs credit salary reduction	4a	41	00
b. Federal research and development credit expense reduction	4b	42	00
c. Federal orphan drug credit clinical testing expense reduction	4c	43	00
d. Expense reduction for other federal credits (attach schedule)	4d	44	00
5. Safe harbor lease adjustments	5	5	00
6. Federal income previously taxed by Utah	6	6	00
7. Fifty percent exclusion for dividends from unitary foreign subsidiaries	7	7	00
8. Fifty percent exclusion of foreign operating company income	8	8	00
9. Gain or loss on stock sale not recognized for federal purposes (but included in taxable income) when IRC Sections 338(h)(10) or 336(e) have been elected	9	9	00
10. Basis adjustments	10	10	00
11. Interest expense not deducted on federal return under IRC Sections 265(b) or 291(e)	11	11	00
12. Dividends received from insurance company subsidiaries taxed on their premiums	12	12	00
13. Payments made to the Utah Educational Savings Plan	13	13	00
14. Total subtractions (add lines 1 through 13) Enter here and on Schedule A, line 3.	14	257	00

Schedule D - Utah Contributions Deduction (See instructions)

1. Apportionable income before contributions (from Schedule A, line 6)	1		00
2. Utah contribution limitation rate (decimal)	2	.10	
3. Utah contribution limitation (multiply line 1 by line 2) If line 1 is a loss, no contribution is allowed.	3		00
4. Current year contributions	4		00
5. Contributions deducted on federal form 1120 or 1120-A, line 19:			
a. Contributions to sheltered workshops claimed as a tax credit on Schedule A, line 16 (code 02)	5a	()	00
b. Deductions for high technology equipment claimed as a tax credit on Schedule A, line 16 (code 14)	5b	()	00
6. Utah contribution carryforward (attach schedule)	6		00
7. Total available contributions deduction (subtract lines 5a and 5b from line 4 and add line 6)	7		00
8. Utah allowed contributions deduction (lesser of line 3 or line 7) Enter here and on Schedule A, line 7.	8		00

Schedule J - Apportionment ScheduleTC-20 J, Rev. 12/06
(for use with TC-20, TC-20S, TC-20REIT & TC-20UBI)

Corporation Name CXT3	Taxable Year Ending 12/31/06	Employer Identification Number 874000003
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NOTE: Use this schedule only if income is taxable in another state and should be apportioned to Utah.
Use this schedule with Utah corporate forms TC-20, TC-20S, TC-20REIT and TC-20UBI.

Describe briefly the nature and location(s) of your Utah business activities:

We distribute widgets in Salt Lake City.

APPORTIONABLE INCOME FACTORS		Inside Utah Column A	Inside and Outside Utah Column B
1. Property Factor			
a. Land.....	1a	1,001 00	1,111 00
b. Depreciable assets.....	1b	1,002 00	1,222 00
c. Inventory and supplies.....	1c	1,003 00	1,333 00
d. Rented property.....	1d	1,004 00	1,444 00
e. Other tangible property.....	1e	1,005 00	1,555 00
f. Total tangible property (total lines 1a through 1e).....	1f	5,015 00	6,665 00
2. Property factor (decimal) — line 1f, column A divided by line 1f, column B.....		2	0.752438
3. Payroll Factor			
a. Total wages, salaries, commissions and other compensation.....	3a	3,000 00	3,300 00
4. Payroll factor (decimal) — line 3a, column A divided by line 3a, column B.....		4	0.909091
5. Sales Factor			
a. Sales (gross receipts less returns and allowances).....	5a	40,001 00	
b. Sales delivered or shipped to Utah purchasers from outside Utah.....	5b	4,002 00	
c. Sales delivered or shipped to Utah purchasers from within Utah.....	5c	4,003 00	
d. Sales shipped from Utah to the United States government.....	5d	4,031 00	
e. Sales shipped from Utah to purchasers in a state(s) where the taxpayer has no nexus (the corporation is not taxable in the state of purchaser).....	5e	4,032 00	
f. Rent and royalty income.....	5f	4,041 00	40,042 00
g. Service income (attach schedule).....	5g	4,051 00	40,052 00
h. Total sales and services (total lines 5a through 5g).....	5h	24,160 00	120,095 00
6. Sales factor (decimal) — line 5h, column A divided by line 5h, column B.....		6	0.201174

EQUALLY-WEIGHTED THREE FACTOR FORMULA

Corporations not making the election to double-weight the sales factor must complete lines 7 and 8.

7. Add lines 2, 4 and 6.....	7	1.862703
8. Calculate the Apportionment Fraction to SIX DECIMALS (line 7 divided by 3 or the number of factors present)	8	0.620901

DOUBLE-WEIGHTED SALES FACTOR ELECTION — If elected, this option is effective and irrevocable for five years.

Corporations electing to double-weight the sales factor must complete lines 9 through 12.

9. Enter "X" in the box if the election is made to double-weight the sales factor.....	9	<input checked="" type="checkbox"/>
10. Doubled sales factor — amount from line 6 times 2.....	10	0.402348
11. Add lines 2, 4 and 10.....	11	2.063877
12. Calculate the Elected Apportionment Fraction to SIX DECIMALS (line 11 divided by 4 or the number of factors present, counting the sales factor twice).....	12	0.515969

Enter the amount from line 8 (or line 12 if the Double-Weighted Sales Factor Election is selected) as follows:

TC-20 filers - enter on TC-20, Schedule A, line 9

TC-20S filers - enter on TC-20S, Schedule A, line 8

TC-20REIT filers - enter on TC-20REIT, line 4

TC-20UBI filers - enter on TC-20UBI, line 2